

Securities Regulation Daily Wrap Up, EXCHANGES AND MARKET REGULATION—SEC asks for comments on comprehensive review of CAT, (Apr. 17, 2026)

Securities Regulation Daily Wrap Up

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The release solicits various comments, including CAT's funding, regulatory purpose, structure and governance, design, and cybersecurity.

The SEC is seeking comments on a comprehensive review of the nearly decade-old Consolidated Audit Trail Plan. Market developments since the plan was last evaluated, plus the comments and concerns of market participants have spurred the Commission to consider whether the rules and regulations governing existing audit trails and related data sources should be changed to reflect current market conditions, regulatory need, privacy and security concerns, and new technology. Comments are due 60 days after publication in the *Federal Register*; the release is currently scheduled to be published on Monday, April 20 ([Concept Release on Consolidated Audit Trail and Other Audit Trails and Data Sources](#), Exchange Act Release No. 34-105251 (Apr. 16, 2026)).

The CAT NMS Plan was approved by the SEC in 2016, and in July 2024, the SROs told the Commission that the CAT had been fully implemented. The [release](#) notes that in the ten years since the plan was approved, there have been a number of developments, chiefly the operation of the plan itself. Plus, while the annual costs of maintaining and operating the plan were estimated in 2016 to be approximately \$55.8 million, the 2025 budget initially approved by the SROs was over \$248 million per year and the 2026 budget is approximately \$156 million. The Commission attributes the increased budget to higher-than-anticipated volumes and trading activity.

Comments requested. In consideration of the last decade of market developments, and of suggestions and concerns raised by the SROs and market participants, the Commission determined to conduct a comprehensive review of the CAT and other audit trails used by securities regulators. The Commission's review will examine the effectiveness, regulatory use, and costs of these data sources and obtain feedback on whether changes should be made, particularly changes striking a different balance between privacy considerations and regulatory need. Among other questions, the Commission [seeks comment](#) on:

The regulatory purpose of the CAT:

- Is the CAT necessary to enable the regulatory use cases that allow the SEC and SROs to fulfill their regulatory obligations?
- Are there features of the CAT that could be eliminated?
- Should the CAT be eliminated in favor of a different audit trail?

CAT structure and governance:

- Should the CAT continue to be structured as an NMS plan, and, if not, how should it be directed and overseen?
- Should the CAT have a different voting structure?

- What powers, responsibilities, or rights should be given to the CAT Advisory Committee?

CAT funding and management:

- Is there sufficient transparency with respect to CAT costs and expenses?
- Should the Commission set fees for the SROs and Industry Members, how should they be allocated, and on what should they be based?
- Should the Commission own and operate the CAT itself?

CAT design and scope:

- From which market participants should the CAT collect information, how often, and what should be captured?
- Should the Commission optimize and/or simplify CAT reporting requirements?
- Should structural or architectural changes be made to the CAT?
- How quickly should regulators be able to access raw, unlinked data?
- How should the Plan Processor store historical data?
- Are there enhancements or improvements that could be made to the current process of generating CCIDs?

Other data sources:

- Are there audit trails or related data sources that contain partially duplicative information to the CAT, that should be eliminated, modified, or replaced?
- Should a request-and-response (R&R) system be implemented, and how would it be structured?

Civil liberties and privacy considerations:

- Does the CAT's collection and/or transmission of transactional information without associated customer and account-level information raise confidentiality, privacy, and/or civil liberties concerns? If so, what are they, and how should those concerns be addressed?
- Are there enhancements that should be made to the CAT Plan's security requirements, and are there additional security, privacy, or confidentiality controls that should be implemented to secure the CAT?

Peirce's concerns. In a statement, [Commissioner Peirce](#) described the CAT as "expensive, contentious, and perilous to privacy" and noted that it has at least been successful in generating fighting between regulated entities and the Commission. While pleased with the steps taken to address longstanding concerns, and with the concept release, she says that her deepest concerns are in the realms of liberty and privacy. "Americans should not have to prove their innocence by submitting their daily financial lives to comprehensive government monitoring," she said, adding that "a tool like the CAT inevitably creates the opportunity for future abuse by someone in government or at

one of the many SROs with access to it." Peirce expressed the hope that this examination of the CAT can lead to rethinking the architecture of market oversight with an eye toward the "rights of people to participate in the market unwatched absent suspicion of wrongdoing."

The release is [No. 34-105251](#).

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